

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION FOR
AUTHORITY TO IMPLEMENT AN
IRRIGATION PEAK CLIPPING PILOT
PROGRAM.**

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) **CASE NO. IPC-E-04-3**
)
) **NOTICE OF APPLICATION**
)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **NOTICE OF COMMENT**
) **DEADLINES**
)
) **ORDER NO. 29430**

On February 5, 2004, Idaho Power Company, filed its Application, pursuant to Commission Rule of Procedure 52, for authority to institute a pilot program to permit the Company's customers to participate in its proposed Irrigation Peak Clipping Pilot Program (Pilot Program) by implementing Tariff Schedule 23. Idaho Power has proposed that its Tariff Schedule 23 become effective on March 6, 2004. In order to allow adequate time for interested persons and parties to comment on this matter the Commission suspends the effective date of the Company's Tariff Schedule 23 until April 5, 2004 or until the Commission issues an Order approving, modifying or rejecting the Company's Application, program and tariff.

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YOU ARE HEREBY NOTIFIED that Idaho Power's 2002 Integrated Resource Plan ("IRP") identified peak resource deficiencies facing its system in upcoming years. In the IRP the Company represented it would target demand-side measures that address peak-hour demand reduction as a means of addressing those deficiencies. Idaho Power states the irrigation summer load is a major portion of its summer peak demand. Idaho Power states that the Irrigation Peak Clipping Pilot Program is the type of demand response program that could potentially reduce peak-hour demand by attempting to manage capacity instead of energy.

YOU ARE FURTHER NOTIFIED that Idaho Power contends the purpose of its proposed Pilot Program is to turn off power to selected irrigation pump(s) behind a metered

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service point(s) using electric switches (“Timers”) during peak weekday hours in the summer months in order to produce a decrease in the Company’s system summer peak. In exchange for allowing Idaho Power to turn off power to these pumps, participating customers would receive a monthly, monetary incentive paid on the basis of the number of kilowatts of load reduction. The Company states the Pilot Program would be an optional, supplemental service that is described in its proposed Tariff Schedule 23. Idaho Power is requesting Commission review of this tariff because its implementation would change the method by which the Company provides electrical service to irrigation customers who participate in the Pilot Program.

YOU ARE FURTHER NOTIFIED that Idaho Power states customers targeted for participating in the Pilot Program are those who can have power turned off at a metered service point(s) for four hours per week, between 4:00 p.m. to 8:00 p.m., the time when daily summer peak demand normally occurs, during the calendar months of June, July and August without impacting crop yield, the choice of crop planted or the design of the irrigation systems. Based upon input from various irrigation customers Idaho Power contends that four hours of interruption per week appears to be a reasonable amount.

YOU ARE FURTHER NOTIFIED that in order to be eligible to participate in this Pilot Program Idaho Power proposes that irrigation customers: must have metered service point(s) receiving service under the Company’s Schedule 24, where the metered service point(s) serves a water pumping or water delivery system used to irrigate agricultural crops or pasturage; the customer’s metered service point(s) must provide electric service to irrigation pump(s) with at least 150 cumulative horsepower; and the customer must be the person who is responsible for paying bills for retail electric service provided by the Company at the metered service point(s) that will be turned off for the selected four hour period.

YOU ARE FURTHER NOTIFIED that the Company proposes to make this Pilot Program available to up to 50 customers in each of four areas of Idaho Power’s service territory. Customers will be selected from 1) the Kuna, Melba and Nampa area; 2) the Mountain Home, Bruneau and Grand View area; 3) the Rupert and Paul area; and 4) the American Falls area of Idaho Power’s service territory. Idaho Power proposes that a total of not more than 200 customers will be selected to participate in the Pilot Program. The Company states that it also

may choose to solicit participants to fill any vacancies caused by attrition in order to maintain the participation objectives.

YOU ARE FURTHER NOTIFIED that Idaho Power states each eligible irrigation customer who desires to participate in this Pilot Program is required to enter into a Uniform Irrigation Peak Clipping Service Application Agreement (“Agreement”) with the Company prior to being accepted to take part in this Pilot Program.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes to retain the sole right to select and reject the participants to receive service under Schedule 23. Furthermore, Idaho Power proposes to retain the sole right to select the load reduction weekday for each metered service point(s) for the customers that are accepted to participate in the Pilot Program.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes that during the term of the Agreement with the participating irrigation customer and with prior reasonable notice the customer shall permit Idaho Power or its representative reasonable access to install, service, maintain and/or remove Timer(s) on the electrical panel that services the participating customer’s irrigation equipment. The Company also states that its goal is to enroll customers and install all Timers by June 1, 2004. Finally, Idaho Power proposes that customers may be enrolled in the Pilot Program after June 1, 2004 to achieve desired participation levels, but no later than July 1, 2004.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes the load reduction produced by each participant will be deemed equal to the billing demand for the enrolled metered service point(s) for the applicable billing period. The Company proposes that participants would receive financial incentive for each month they successfully participate in the Pilot Program. The incentive would be calculated by multiplying \$1.75 by the billing demand for the metered service point that is enrolled in the Pilot Program. The incentive may be prorated for the months of June, July and August depending on the irrigation customer’s billing cycle.

YOU ARE FURTHER NOTIFIED that the Company proposes that the Pilot Program would be piloted in the 2004 irrigation season and would expire on October 1, 2004, unless extended by the Company.

YOU ARE FURTHER NOTIFIED that Idaho Power contends the Energy Efficiency Advisory Group has concurred with the proposal to use Energy Efficiency Rider funds, collected

under Idaho Power Schedule 91, to finance the Irrigation Peak Clipping Pilot Program. The Company states that the cost of the Pilot Program for one year will be approximately \$294,750.

YOU ARE FURTHER NOTIFIED that Idaho Power has proposed that its Tariff Schedule 23 become effective on March 6, 2004. In order to allow adequate time for interested persons and parties to comment on this matter the Commission suspends the effective date of the Company's Tariff Schedule 23 until April 5, 2004 or until the Commission issues an Order approving, modifying or rejecting the Company's Application.

YOU ARE FURTHER NOTIFIED that the Company's Application to implement this Pilot Program is merely a proposal subject to public review and Commission approval.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-04-3. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that the issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comment have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it. Reference IDAPA 31.01.01.204.

NOTICE OF COMMENT AND REPLY COMMENT DEADLINES

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **within twenty-one (21) days from the service date of this Notice**. The comment must contain a

statement of reasons supporting the comment. IDAPA 31.01.01.202.02. Persons desiring a hearing must specifically request a hearing in their written comments.

YOU ARE FURTHER NOTIFIED that the Company may file **reply comments on or before seven (7) days after the initial twenty-one (21) day comment period has expired.**

YOU ARE FURTHER NOTIFIED that written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:
472 W WASHINGTON ST
BOISE, ID 83702-5983

MONICA MOEN
PETER P. PENGILLY
IDAHO POWER COMPANY
PO BOX 70
BOISE, ID 83707-0070
Email: mmoen@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Idaho Power's Application can be viewed online at www.puc.state.id.us by clicking on "File Room" and "Electric Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Idaho Power Company located at 1221 West Idaho Street in Boise, Idaho (388-2200).

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Idaho Power Company, an electric utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that the effective date of Idaho Power Company's proposed Pilot Program and Tariff Schedule 23 is suspended until April 5, 2004 or until the Commission issues an Order approving modifying or rejecting the Company's Application in this case.

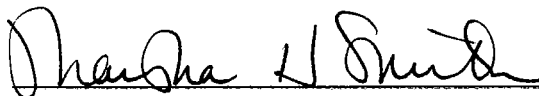
IT IS FURTHER ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments regarding this Application should do so within twenty-one (21) days of the service date of this Order.

IT IS FURTHER ORDERED that Idaho Power may file reply comments on or before seven (7) days after expiration of the initial twenty-one day comment period.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this day of February 2004.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Barbara Barrows
Assistant Commission Secretary

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